

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

On March 10, 1997, one of the first actions Secretary Slater took upon assuming leadership of the Department of Transportation (DOT) was to emphasize the importance of sound financial management. DOT has made progress in improving financial management. And, we are committed to do much more.

I am pleased to present DOT's FY 1998 Chief Financial Officer Annual Report & 5-Year Plan. This report describes specific improvement activities we are implementing and results achieved to reform financial management in DOT, in support of governmentwide financial management goals, the Government Performance and Results Act (GPRA) and related legislation, and DOT's Strategic Plan and Financial Management Visions. Under the sponsorship of the DOT Chief Financial Officers' Council and the Financial Management Committee, the financial management community in DOT is working hard to modernize and upgrade our accounting systems, support the Administration's goal of achieving clean audit opinions on our financial statements, and take advantage of new technology to improve our business processes, reduce costs, and better serve our customers. To help make financial management work better in DOT we:

- * Prepared DOT's first annual Performance Plan under GPRA, receiving Congressional leadership recognition as the "best in government".
- * Are on target for "Year 2000" processing for our DOT-wide financial management systems.
- * Made over 95% of employee salary payments by Electronic Fund Transfer.
- * Saved approximately \$27 million in administrative costs in FY 1998 by using the Government Small Purchase Credit Card.
- * Continued implementing automated travel management systems cutting the cost to process employee travel in half.
- * Prepared DOT's second annual Audited Consolidated Financial Statement informing the American public of DOT's major programs and its financial position.
- * Continued innovative financing techniques that supplement Federal funds with private and non-Federal public sector investment for transportation infrastructure.

We hope that the details of these activities, and several others described in this Report, give our readers a good picture of the many features in the new systems and processes we have developed and are working on that are helping to make government work better and cheaper. We know much more needs to be done; and, we are committed to meet the challenge as we move closer to achieving our financial management visions and support DOT's goal to create the best transportation system for America -- a system that is international in reach, intermodal in form, intelligent in character and inclusive in nature.

Peter J. Basso
Deputy Assistant Secretary for Budget
and Programs

